

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113

Sacramento, CA

Minutes of Meeting

April 14, 2005

COMMISSIONERS PRESENT

Nancy E. McFadden, Chair
Thomas Calderon
Diane M. Griffiths
Teresa P. Hughes
Vicki Marti
Lynn Schenk
Cathie Bennett Warner

CMAC STAFF PRESENT

J. Keith Berger, Executive Director
Enid Barnes
Theresa Bueno
Paul Cerles
Denise DeTrano
Holland Golec
Steve Soto
Michael Tagupa
Mervin Tamai
Karen Thalhammer

EX-OFFICIO MEMBERS PRESENT

Bob Sands, Department of Finance
Sunni Burns, Department of Health Services

I. Call to Order

The April 14, 2005 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Chair Nancy E. McFadden. A quorum was present.

II. Approval of Minutes

The March 24, 2005 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

Mr. Berger reported that there were no new requests from hospitals or health plans to appear before the Commission in closed session at this time.

Mr. Berger informed the Commissioners that there are 16 amendments and contracts for action during today's closed session as well as some updates and strategic discussions regarding key negotiations.

Mr. Berger indicated that staff has completed negotiations for this year's Medical Education Supplemental Payment Program for university and major teaching hospitals. These amendments, along with most of the eligible SB 1255 Round 17B amendments, have been noticed to the Commissioners for action at the April 28 Commission meeting.

Mr. Berger noted that after the California Hospital Association had given their presentation on the Seismic Retrofit program, there had been a request that staff list on the Legislative Report seismic related bills that are currently up for action. Mr. Berger noted that the seismic list has been added to the Legislative Report as requested.

Mr. Berger informed the Commission that he participated in a hearing held by the Senate Budget Subcommittee No. 3, Health and Human Services, primarily on selected Medi-Cal issues. There were two issues that related to CMAC. The first was a proposal to reduce Commissioner salaries to \$50,000 a year, which is higher than the amount proposed in SB 1083 (Ackerman). The Subcommittee recommended a higher amount in recognition of the analysis and review functions that the Commissioners have outside of the regular CMAC Commission meetings, as well as the complexities of the hospital financing area.

Mr. Berger reported that the Department of Finance had informed the Subcommittee that the Administration had sponsored the Ackerman bill, but concurred with the Subcommittee's proposal, which was approved 3-0.

Chair Nancy McFadden stated for the record that the Commission is not opposing the Subcommittee proposal on the Ackerman bill. The Commission does not have a formal position on any of the legislative bills.

Mr. Berger indicated that the second issue was related to the nurse-to-patient ratios and how budgeted funds were spent. Mr. Berger responded to questions and provided the Subcommittee with a brief overview of how the Selective Provider Contracting Program (SPCP) operates, with the key points that the focus of the SPCP is to maintain access to inpatient services for Medi-Cal beneficiaries at the best possible rates for the State.

Mr. Berger further noted that CMAC negotiates an overall average per-diem rate for each hospital. The rates are not related to any specific cost item, therefore, CMAC

could not report that it directly negotiates funding for nurse-to-patient ratio expenses. What CMAC has done is negotiate rate increases that CMAC felt were necessary to maintain access for beneficiaries.

Bob Sands indicated that there had been some letters and discussions between the Legislature and the Health and Human Services Agency regarding this issue.

Ms. Burns was asked if there was an update on the hospital financing waiver. She indicated that she did not have anything specific to report on hospital financing at this time.

Ms. Burns did note that DHS has received new updated data from the hospitals and it is being reviewed. The State is also still communicating with the Centers for Medicare and Medicaid Services (CMS), but there is nothing new to report at this time.

In response to Chair McFadden's questions regarding the SPCP waiver, Ms. Burns stated that CMS is aware that the waiver expires at the end of June 2005, and that DHS believes there will be some administrative resolution until all of the details are worked out for the new waiver.

Mr. Berger noted that the Budget Subcommittee Chair, Senator Ducheny, felt that it would be useful to have the Joint Legislative Audit Committee and the Legislative Analyst's Office review CMAC's contracts. This oversight authority has existed in the State since the creation of the Commission. Mr. Berger indicated that CMAC welcomes the review and that it would be another method for the Legislature to stay informed regarding CMAC operations and results.

IV. Medi-Cal Managed Care Activities

Mr. Berger indicated that there was nothing new to report at this time.

V. New Business/Public Comments/Adjournment

There being no further new business and no additional comments from the public, Chair Nancy McFadden recessed the open session. Chair McFadden opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Chair McFadden announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.